THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF MARYLAND

(Baltimore Division)

In re:

FRANK'S NURSERY & CRAFTS, INC., et al.,

(Chapter 11)

(Jointly Administered) (under Case No. 01-5-2415)

Case Nos. 01-5-2415 and 01-5-2416

Debtors.

RESPONSE OF OUTLET WORLD, L.L.C TO **DEBTORS' MOTION FOR ORDER: (a) AUTHORIZING** DEBTORS TO CONDUCT CERTAIN STORE CLOSING SALES PURSUANT TO SECTIONS 105 AND 363 OF THE BANKRUPTCY CODE AND GRANTING ANCILLARY RELIEF RELATED THERETO; (b) **AUTHORIZING AND APPROVING RETENTION** INCENTIVE PROGRAM FOR AFFECTED EMPLOYEES; AND (c) GRANTING RELATED RELIEF

Outlet World, L.L.C. ("Outlet World") a creditor in the above-captioned cases, by its undersigned counsel, files this response to Debtors' motion for an order: (a) authorizing the Debtors to conduct certain store closing sales pursuant to sections 105(a) and 363(b) of the Bankruptcy Code; (b) authorizing and approving a retention incentive program for affected employees; and (c) granting related relief (the "Motion").

1. Outlet World is the Landlord of Store No. 144 located at 7702 Richmond Highway Alexandria, VA 22306 as identified in Exhibit A to Debtor Motion ("Premises").



C.\LawFiles\ROBBINS\Owllc\frank'sresponse.wpd

2. Debtor is in default with respect to certain pre-petition rents at the Premises and other defaults may exist and be outstanding.

3. Outlet World does not object to the specific relief sought in the pending Motion. However, since such Motion does not address the disposition of the Lease for the Premises, Outlet World reserves any and all rights available to it with regard to the disposition of such Lease or any other matters related to the Lease and the

WHEREFORE, Outlet World respectfully requests that the entry of any Order granting the relief sought by Debtors in this Motion be granted subject to the reservation of the rights of Outlet World in future proceedings and that the Court grant such other relief as may be just and proper.

LAW OFFICES OF ARTHUR F. LAFIONATIS, P.C.

Y: [Se 4

Arthur F. Lafionatis

4300 Montgomery Avenue, Suite 305

Bethesda, MD 20814 301-654-6694 (phone)

301-654-6695 (fax)

Counsel for Outlet World, L.L.C.

Premises.

CERTIFICATE OF SERVICE

I certify that on this 23rd day of March, 2001, a copy of the foregoing pleadings was sent via facsimile to the parties listed below in accordance with the Notice of Hearing in the matter.

Alan J. Lipkin, Esq. Willkie Farr & Gallagher 787 Seventh Avenue New York, New York 10019-6009 (Fax) 212-728-8111

Paul M. Nussbaum, Esq. Martin T. Fletcher, Esq. Whiteford, Taylor & Preston, LLP Seven Saint Paul Street- Suite 1400 Baltimore, Maryland 21202 (Fax) 410-625-7510

Karen H. Moore, Esq. Office of the U.S. Trustee 300 West Pratt Street, Suite 350 Baltimore, Maryland 21201 (Fax) 410-962-4278

Joel I. Sher, Esq. Shapiro Sher & Guinot 36 S. Charles Street, Suite 2000 Baltimore, Maryland 21201 (Fax) 410-385-1216

Arthur F. Lafionatis